



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, MEGAN GAFFNEY
PUBLIC INFORMATION OFFICE
(212) 637-2600

**TRAVEL COMPANY EXECUTIVE PLEADS GUILTY TO TAX FRAUD
FOR CONSPIRING TO HIDE INCOME IN FOREIGN BANK ACCOUNT; U.S.
SEEKS EXTRADITION OF ALLEGED CO-CONSPIRATOR**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that RICHARD C. MASEFIELD ("MASEFIELD"), the former President of Trafalgar Tours, U.S.A., an international tour company based in Manhattan, pled guilty to tax fraud charges relating to his involvement in a conspiracy to hide from the Internal Revenue Service hundreds of thousands of dollars in secret compensation paid to him through a Channel Islands bank account.

Mr. KELLEY also announced the unsealing of tax fraud charges against GAVIN B. TOLLMAN, the former president of TT-USA and current executive of its parent company, The Travel Corporation, based on his involvement in the same tax fraud conspiracy as MASEFIELD.

According to the Indictment and MASEFIELD'S guilty plea in Manhattan federal court, MASEFIELD served as Vice President, and then President, of Trafalgar Tours, U.S.A. ("TT-USA") between 1993

and 1997, and thereafter (from 1997-2001) operated a TT-USA-related company located in Florida. According to the Indictment and other court documents, TT-USA is a subsidiary of Trafalgar Tours International, the international travel and tour company that was owned and controlled by fugitive hotelier Stanley S. Tollman, who was indicted in the same case in 2002. During the period 1993-2000, MASEFIELD, a citizen of New Zealand, was a permanent resident of the United States and thus required to report to the IRS all of his worldwide income.

According to court records and MASEFIELD's guilty plea, MASEFIELD and other employees of TT-USA, as well as its owners, were paid "secret compensation," that is, compensation that, in violation of the criminal internal revenue laws, was willfully not reported to the IRS by either TT-USA or the employees, including MASEFIELD. Also according to the Indictment, MASEFIELD received his secret compensation through a bank account located at the Royal Bank of Canada, in Guernsey, the Channel Islands. Thereafter, in order to obtain access to his funds in Guernsey, MASEFIELD corresponded with a financial manager there who, upon request, caused funds to be withdrawn from MASEFIELD's account at Royal Bank of Canada. Those withdrawals were then used, according to court records, to pay for personal expenses of MASEFIELD in the United States, including expenses at a marina in Norwalk, Connecticut.

According to court documents, between 1993 and 2000, MASEFIELD received in excess of \$370,000 in secret income through

his Channel Islands account, all of which he omitted from income tax returns he filed, under penalty of perjury, with the IRS.

MASEFIELD was arrested by Australian authorities in June 2003 pursuant to an extradition request made by the United States. He was returned to the United States in June 2004.

GAVIN TOLLMAN was arrested by Canadian authorities on January 21, 2005, at the request of the United States, which is seeking GAVIN TOLLMAN's extradition.

According to court documents, TOLLMAN, while working at TT-USA in New York from 1997-2001, conspired to receive hundreds of thousands of dollars of income from TT-USA's parent company through a secret Channel Islands bank account he controlled in a corporate name. TOLLMAN is also alleged to have received, between 1995-1997, tens of thousands of dollars of unreported compensation from Tollman-Hundley Hotels, a company owned and controlled by Stanley S. Tollman, GAVIN B. TOLLMAN's uncle.

According to court records, Stanley S. Tollman was indicted on bank fraud and tax fraud charges in 2002 in the Southern District of New York. The Indictment against Stanley Tollman, which is pending, charges him with conspiring to hide more than \$35 million in unreported income in secret Channel Islands bank accounts held in corporate names, and with defrauding banks of more than \$45 million. Stanley S. Tollman is currently a fugitive on

those charges, as is his wife, Beatrice Tollman, who was also charged with being part of the same tax fraud conspiracy. Both were arrested in London in September 2004 and are fighting extradition to the United States.

Mr. KELLEY praised the work of the IRS and the FBI, as well as the authorities in Guernsey, the Channel Islands, Australia, and Canada. MASEFIELD, who is to be sentenced on May 26, 2005, by United States District Judge LORETTA A. PRESKA, faces a maximum sentence of 5 years in prison on the conspiracy charge, and 3 years in prison for the charge of subscribing to false tax returns. MASEFIELD also faces fines totaling \$500,000 on the two charges.

Mr. KELLEY said the investigation is continuing.

Assistant United States Attorneys STANLEY J. OKULA, JR., PETER NEIMAN, and JUSTIN WEDDLE are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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